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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING January 1, 2004 AND ENDING December 31, 2004  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

*Carroll, John Joseph,*  
*dba* JOHN J. CARROLL & COMPANY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

2001 9th Avenue, Suite 303

Vero Beach

Florida

32960

(No. and Street)

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John J. Carroll

(772) 567-5238

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Berger, Toombs, Elam, Gaines &amp; Frank, CPA's

111 Orange Avenue, Suite 300

(Name - if individual, state last, first, middle name)

Fort Pierce, Florida

34950

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 17 2005

**FOR OFFICIAL USE ONLY**THOMSON  
FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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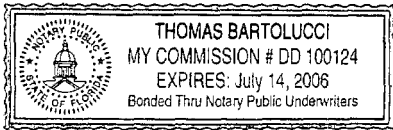
*TLH*  
*2/11*

## OATH OR AFFIRMATION

I, John J. Carroll, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of John J. Carroll & Company, as of December 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_



John J. Carroll  
Signature  
Proprietor  
Title

Thomas Bartolucci

Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

FINANCIAL STATEMENTS,  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS  
AND SUPPLEMENTAL INFORMATION

**JOHN J. CARROLL**  
**d/b/a JOHN J. CARROLL & COMPANY**

December 31, 2004

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Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

SunTrust Bank Building  
Suite 300  
111 Orange Avenue  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

### Report of Independent Certified Public Accountants

To the Proprietor  
Mr. John J. Carroll  
d/b/a John J. Carroll & Company

We have audited the accompanying statement of financial condition of John J. Carroll d/b/a John J. Carroll & Company as of December 31, 2004, and the related statements of income and proprietor's capital, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the proprietor. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of John J. Carroll d/b/a John J. Carroll & Company as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information contained in Schedule I is presented for the purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Berger, Toombs, Elam,  
Gaines & Frank*

Fort Pierce, Florida  
February 5, 2005

Fort Pierce / Stuart

John J. Carroll d/b/a John J. Carroll & Company  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2004

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**ASSETS**

Cash	\$ 4,794
Prepaid expenses	452
Securities owned at fair market value (cost - \$139,594)	143,332
Furniture, equipment and automobile, at cost, net of accumulated depreciation of \$10,360	<u>2,690</u>
	<u><u>\$ 151,268</u></u>

**PROPRIETOR'S CAPITAL**

Proprietor's capital	<u>151,268</u>
	<u><u>\$ 151,268</u></u>

*The accompanying notes are an integral part of this statement.*

John J. Carroll d/b/a John J. Carroll & Company

**STATEMENT OF INCOME AND CHANGES IN PROPRIETOR'S CAPITAL**

Year ended December 31, 2004

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Revenue	
Commissions	\$ 18,429
Dividends and interest	7,566
Net unrealized gain on securities	<u>2,757</u>
	<u>28,752</u>
Expenses	
Commissions	10,557
Rent	6,707
Accounting	2,045
Dues, fees and subscriptions	1,619
Other (including depreciation of \$1,393)	<u>7,762</u>
	<u>28,690</u>
Net Income	62
Proprietor's capital beginning of year	143,623
Proprietor's contributions, net of withdrawals	<u>7,583</u>
Proprietor's capital end of year	<u><u>\$ 151,268</u></u>

*The accompanying notes are an integral part of this statement.*

**STATEMENT OF CASH FLOWS**

Year ended December 31, 2004

## Cash flows from operating activities:

Net gain \$ 62

Adjustments to reconcile net income to cash provided by  
operating activities:

Depreciation 1,393

Unrealized gain on securities (2,757)

Changes in assets and liabilities:

Decrease in commissions receivable 735

(Decrease) in commissions payable (274)

Decrease in prepaid expenses 256

Net cash used in operations (585)

## Cash flows from investing activities:

Acquisition of securities (8,165)

## Cash flows from financing activities:

Capital contributions, net of withdrawals 7,583

Net decrease in cash (1,167)

Cash - beginning of year 5,961

Cash - end of year \$ 4,794



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

John J. Carroll & Company (Company), a nonclearing securities broker, is organized as a sole proprietorship. The primary business activities of the company consists of the buying and selling of securities for clients in the Vero Beach and Melbourne, Florida areas.

Marketable securities held for the investment are stated a quoted market price.

Furniture, equipment and automobiles are stated at cost. Depreciation is computed on straight line and accelerated methods over the estimated useful life of the asset.

The Company, operating as a proprietorship, is not a taxable entity. The results of it's operations are includable with the other activities of the owner in the tax return filed by the proprietor. Accordingly, no income tax provision is reflected in the accompanying financial statements.

Advertising costs are generally charged to operations in the year incurred and totaled \$435 in 2004.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and cash equivalents includes checking accounts for the purposes of the statement of cash flows.

**NOTE B - NET CAPITAL**

The Company is subject to the Securities and Exchange Commission uniform net capital rule (Rule 15c3-1). This rule provides that a broker or dealer in securities is required to maintain a minimum "net capital" equal to the greater of its requirement as determined by classification or 6-2/3% of aggregate indebtedness. The "net capital" of the Company as of December 31, 2004 was \$151,268 and its minimum requirement was \$25,000 for 2004.

**NOTES TO FINANCIAL STATEMENTS**

Year ended December 31, 2004

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**NOTE B - NET CAPITAL (continued)**

Reconciliation with Company's computation (included in Part IIA of form X-17A-5 as of December 31, 2004):

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report	\$126,877
Audit adjustments, net	<u>(256)</u>
Net capital per computation	<u>\$126,621</u>

**NOTE C - SUBORDINATED LIABILITIES**

The Company did not have any liabilities subordinated to claims of general creditors as of December 31, 2004.

**SUPPLEMENTAL INFORMATION**

John J. Carroll d/b/a John J. Carroll & Company

**COMPUTATION OF NET CAPITAL**

Schedule I

Year Ended December 31, 2004

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Proprietor's capital per statement of financial condition:		\$ 151,268
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Deduct:

Assets which cannot be readily converted into  
cash (non-allowable assets)

\$ 3,142

Haircuts on securities

21,505

24,647

Net capital

126,621

Minimum net capital

25,000

Excess net capital

\$ 101,621